

MINUTES OF A SPECIAL CITY COUNCIL MEETING HELD WEDNESDAY, APRIL 16, 2008 - 7:30 P.M. – ROCKVILLE CITY HALL.

The meeting was called to order by Mayor Brian Herberg. Roll Call was taken and the following members were found to be present: Mayor Brian Herberg, Council Members Vern Ahles, Susan Palmer, Jim Pflepsen, Don Simon, & Randy Volkmuth. Absent: None.

Staff members present were: Administrator/Clerk Rena Weber, Public Works Director Rick Hansen & Attorney Jim Mogen.

Others present were: Maine Prairie Township Supervisors Jim Unterberger, Dennis Lowen, & John Wicker & Petitioners Mike Loesch and Gene Merten.

Also present at the meeting were: Mike & Ann Hiltner, Richard & Lucy Heinen, Elmer & Delores Haus, Roy Loesch, & Henry Massmann.

PURPOSE OF MEETING – Mayor Herberg announced that the 3rd special meeting had been called for the purpose of discussing the detachment request with the petitioners and Maine Prairie Township Board members.

John Wicker indicated that they are here tonight to make progress and negotiate. They had a meeting last night and their residents recommended the board to go ahead with the annexation. They would like to know if the city is willing to let the detachment occur.

Mayor Herberg informed the group that the city council has not made a formal decision. Individual members have stated that there is too much at stake. The Council has set April 30th as a special closed meeting to discuss our position with our attorney. No official action has been taken by the city as of yet.

Susan Palmer questioned the northern boundary and how it is affected by the 1000' Shoreland Overlay. Has this been considered to be left in the city limits?

Maine Prairie Township Supervisor John Wicker stated they would be in favor of notching this out.

Jim Mogen asked how that worked with the petitioners and their being notched out. Is there a consensus there?

Mike Loesch stated that he can't speak for the petitioners in that affected area, but the Wenner's did not sign the petition and they would be in the area that is being notched out.

Jim Mogen reported that he talked to Peter Tiede, Maine Prairie Township attorney, about the procedure.

John Wicker stated that Peter Tiede informed the township that if all parties agree the petition can be modified.

Jim Mogen asked if there is a planned idea to submit a revised petition to the ALJ (Administrative Law Judge) proposing a different boundary. As long as you have met the statutory requirement for the number of property owners in the proposed detached area then the ALJ will consider that. In making that decision there will be some property owners that are left in the city who will not agree with this. The city can't deal with these on an individual basis.

Jim Pflepsen stated that the petitioner is to summarize these meetings and submit a report to Christine Scotillo. He further indicated that if the Molitor's don't withdraw it would more than likely be what the ALJ determines. To make this process as easy as possible it would be cleaner if the Molitor's withdrew. Mediation between the City and Township can occur so there is no cost on that and the negotiated costs would be worked out between the city and township. The City needs to analyze the financial aspect to see if we can make an easy resolution and if we don't agree to agree, it is a more expensive process and we probably will end up at the same place.

Jim Mogen indicated that the process from this point out is that we don't have to meet, but can. He explained that the municipal boundary adjuster will make a determination as to whether it believes mediation will be helpful and a hearing will be set. As part of the hearing process there will be advanced motions regarding discovery, experts will give testimony, and procedural steps. All parties will be expected to provide their experts that will testify to specific information. This will be a contested case which is like a trial in front of a judge, but there will be limited evidentiary issues that the ALJ will be expecting that expert testimony is provided on the specifics on whether the detachment meets the statutory requirements, the financials and how this affects the city. All three parties will be expected to provide their own experts. The hearing could go 2, 3 or more days, depending on the complexity.

Jim Pflapsen indicated that they know there are costs involved. He is affected personally. The citizens of Maine Prairie overwhelmingly supported the annexation of six sections, but don't want to pay any legal costs. People in the affected area are willing to pay some of the initial bills. This has been discussed.

Randy Volkmuth stated that if we do submit a petition he wants to see the Shoreland excluded and wants to wait until the Council can meet to discuss the issues.

Susan Palmer stated that she is looking at a letter that John Wicker wrote to the citizens and fundamentally she does not agree that they should not have to pay the debt for city hall and fire hall on certain tax capacity. There is a large gap on what you think and what we think.

John Wicker clarified what he was saying in that a tax district could be set up for the fire hall debt.

Jim Pflapsen agreed that we don't get rid of the debt. Jim asked John Wicker about the financial numbers and the fact that they are different than ours.

John Wicker reported that there is a difference on what David Drown gives to the city and what they are using. He is not calculating the green acres into the formula.

Jim Pflapsen stated that the numbers seem to be close, and the city could benefit financially. There is a net loss of \$29,000.

John Wicker indicated that David Drown is using the number of \$62,000 and he obtained a number of \$52,000 from the Stearns County Auditor and the remainder comes from Ag and homestead credit. Both are correct.

Jim Pflapsen indicated that is the issue. 16% of the land area and only 5% of the revenue, the quick study tells you it has to be pretty darn close. The numbers are the main issue here and unless there is some underlying issue to ignore the wishes of 118 people who want to be governed under a township form of government then he will just leave it at that.

John Wicker indicated that David Drown uses fire in the subject area as \$3600 and \$7200. That is with and without the debt amount. He is using the 2009 figures. The actual number is \$16,000 with the debt amount for that area.

Brian Herberg indicated that the debt has a decreasing amortization.

John Wicker is also using a 50/50 split for fire and the debt. The street maintenance of \$15,000 is not what they use. 8.2 miles is being used.

Jim Mogen reported that David's analysis did take into consideration that the city would not be reducing the number of employees.

Susan Palmer asked what it is going to cost the rest of the citizens of Rockville as it is not just the debt. What about the rest of the city budget that has to be picked up?

Brian Herberg indicated that this takes into consideration the city hall too.

Jim Pflapsen indicated that David Drown shows a cost of \$30.00 per year based on a \$150,000 valued home.

Don Simon voiced concern that it still goes back to 118 people Vs 2000 and how is this going to work out. There will be more people going if this happens. He wants to see what the numbers will be for lost taxes for 5 years. He wants to see the money up front as we are losing money.

John Wicker reported that this is not an annexation and the rules are different.

Jim Pflapsen stated that language on financial difficulty at \$30.00 per year, the ALJ is going to agree this is not a financial hardship. To spend \$30,000 on this would not be a good idea.

There was discussion on who is not here. Elmer Haus stated there is a reason that people don't come in unless invited.

Brian Herberg stated that is not true that people only show up when it directly affects them.

Mike Loesch asked with these three meetings are we willing to move ahead and work out an agreement. Are you willing to let this go to the ALJ to determine how this will work out or do you want something to say about this?

Susan Palmer indicated we have not really sat down to discuss the impact on our own. So if you sense reluctance that is why.

Dennis Lowen reported that we can request an extension of time if the city wants to discuss.

Jim Mogen stated that yes there is a time lag anyway, but he suggested that all three parties file the necessary reports.

Randy Volkmuth understands that they want a decision, but the council has not had a chance to really discuss the issues.

Jim PflEPSen stated that the township attorney said that even if the township doesn't support receiving the petitioners the ALJ can do what they want. The City has really nothing to say.

Jim Mogen stated that he disagrees with this statement and will speak to this in the closed session. He referred to consolidation and the reason for it. The area in question is not permanently rural and will change. There has been a question on development on property that is rural in character. This was partially put together to protect the agriculture of the city. The Township does not have planning authority and they lose that protection. This is not as simple as an ALJ signing off. Petitioners need to come forward with evidence and the city too.

Brian Herberg stated it is not that simple. He does not have a vendetta against the petitioners, which is not the case.

Jim PflEPSen reported that the consolidation was a popular vote that passed by 53%, but the rural support was below 50%. In the early days the discussion did not include the lower sections to be included.

Susan Palmer stated that she read the minutes and some of the meetings did talk about development.

Dennis Lowen reported that people came to him asking what the township can do for me. They came here tonight to say they are willing to negotiate.

Brian Herberg reported that in looking at the Shoreland Overlay map there are other areas than just Grand Lake that fall into the Shoreland. This should be taken into account as well.

It was determined that we are not at that point.

ADJOURNMENT – Motion by Member Volkmuth, second by Member Palmer, to adjourn the meeting at 8:23 p.m. Motion carried unanimously.

**VERENA M. WEBER-CMC
ADMINISTRATOR/CLERK**

**BRIAN HERBERG
MAYOR**

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